



California Public Utilities Commission

505 Van Ness Avenue, San Francisco, CA 94102

News Release

FOR IMMEDIATE RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

REVISED CONSUMER BILL OF RIGHTS PROPOSED EXPANDED PROPOSAL INCLUDES "INTERNET FREEDOM" AND "NAKED DSL"

SAN FRANCISCO, May 2, 2005 - Commissioner Susan P. Kennedy of the California Public Utilities Commission (PUC) today introduced a revised version of the so-called Telecommunications Consumer Bill of Rights (BOR) today, adding "Internet Freedom" and "Naked DSL" to the list of basic rights that should be guaranteed to consumers.

The proposal reinstates the rights included in the original version of the Bill of Rights, which was suspended by the PUC in January, but modifies the list of rights to ensure that consumers are covered regardless of the technology they choose. "These changes make this a Bill of Rights for the future, instead of a throwback to the past," Commissioner Kennedy said.

"The most effective means of consumer protection in a competitive market is freedom of choice," Commissioner Kennedy said. "Armed with the right information and the right to choose, the consumer is the most powerful force in the market today. In order to exercise that choice, laws and regulations against fraud and slamming must be strictly enforced, consumers must be free to choose the services they want and be able to make informed decisions about the terms and conditions of services for which they contract."

The revised Bill of Rights includes:

- The right to select the voice service you want and have that choice respected.
- The right to access lawful content over the Internet without interference from a broadband provider.
- The right to purchase broadband services without being forced to buy local calling service from the broadband provider.
- The right to keep your local phone number when you change voice service providers.

- The right to receive clear and complete information about rates, terms and conditions of service and to be charged only for what you ordered.
- The right to receive clear and complete information about limitations on service, including upload and download speeds, applications, security or equipment.
- The right to personal privacy.
- The right to participate in public proceedings affecting your rights.
- The right to accurate and understandable bills.
- The right to be free from prejudice and discrimination.
- The right to personal and financial security
- The right to receive clear and complete information about access to 911 emergency services.

Commissioner Kennedy's ruling calls for parties to submit arguments as to the effectiveness of existing laws and regulations to enforce these rights and for parties to back-up their arguments with facts. Evidentiary hearings will be held to determine the facts in cases where parties disagree on the effectiveness of current laws and regulations. With this ruling, all of the original Consumer Bill of Rights would be reinstated with the exception of detailed implementation rules and new regulations in Part 2, which will remain suspended during this review process.

"The problem with the original decision wasn't the Bill of Rights," Commissioner Kennedy said, "it was the way the Commission went crazy trying to implement them. In the original version of the BOR the PUC tried to regulate every detail of interaction between a customer and a provider – right down to the font size in their brochures, the format of their bills, and the 20-minute speech customers had to listen to on every sales call. They put 200 new regulations on top of old regulations that conflicted with federal rules and existing state law - making compliance costly and impossible. Those regulations made the IRS code look simple."

"The worst part," Commissioner Kennedy continued, "was that the regulations would have driven costs to consumers through the roof. Customers in rural areas, and many small businesses, were facing price increases as high as 17 percent if we'd gone ahead with all those rules."

For the revised Bill of Rights, each proposed right will be examined in light of existing law and regulation in order to determine whether new laws or regulations are needed to enforce them, or whether better enforcement of existing laws and regulations can best protect these rights for consumers.

Several of the provisions in the revised Bill of Rights address telecommunications services not subject to regulation by State commissions, such as Internet Freedom and Local Number Portability. In adopting the revised Bill of Rights the Commission would not be asserting regulatory jurisdiction over broadband service providers or any other entity or service not currently subject to regulation by the PUC. The PUC has broad authority to enforce existing laws and regulations on Commission-regulated entities and holders of certificates of public convenience and necessity (CPCN). The Commission also has authority to place certain types of conditions on entities executing mergers and acquisitions under California law if it is in the public interest to do so.

Additionally, the Commission may seek delegated authority from the Federal Communications Commission to make adherence to these principles a condition for any provider seeking authorization to use resources assigned to California from the North American Numbering Plan (NANP).

“The bottom line,” Commissioner Kennedy said, “is that there are many ways in which this Commission can protect consumers’ rights. We just have to think outside the old regulatory boxes.”

For more information on the PUC, please visit www.cpuc.ca.gov.

###